GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1020
ANSWERED ON:07.12.2004
AGREEMENT ON POWER SHARING
Majhi Shri Parsuram

Will the Minister of POWER be pleased to state:

(a) the details of agreements made between Andhra Pradesh and Orissa on sharing of the inter-State Hydro-electric projects;

(b) whether any request has been received from these States to review these power sharing agreements;

(c) if so, the details thereof; and

(d) the steps taken by the Government thereon?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) : The details of agreements between Andhra Pradesh and Orissa on sharing of power from their four inter-State Hydro-electric Projects are as under:-

(i) Machkund HE Project (3x17 MW + 3x23 MW = 120 MW) : Details of agreement are as follows :

- Machkund HE (Jt.) Scheme is joint project of Government of Andhra Pradesh (Erstwhile Madras) and government of Orissa. The project was executed as per the Inter-State agreement dated 14.01.1945 entered by the two States of Orissa and erstwhile Madras.

- The Capital cost of the project was shared in the ratio of 70:30, the project was implemented by AP and is being maintained by APGENCO (Erstwhile APSEB).

- The cost of operation and maintenance charges is being shared by two Governments, every year, in proportion to Maximum Demand of the power utilized by each Government in that year. The Government of AP and Orissa have full right to the use of 50% of the ultimate power developed at the Duduma Falls as well as of that developed at each stage.

- The Government of Orissa transferred its right of use of 20% to the Government of AP for a period of 99 years from the date of signing of this agreement.

- In consideration of the above transfer of the said 20% the Government of AP is paying at the rate of Rs.20/- per KW on 20% of Machkund Maximum demand recorded at the Powerhouse during each financial year.

- After 30 years this payment can be revised on mutually agreed by both the Governments.

- On the expiry of the period of 99 years the Government of Orissa is entitled to take over the said 20% on payment to the Government of AP of the proportionate share of Capital cost less depreciation.

Supplementary Agreement

- The agreement entered by the Chief Ministers of AP and Orissa at Hyderabad on 15th December, 1978 and came into force from 1st April, 1979.

- Under this agreement the total energy that could be spared by AP to Orissa will be limited to 20% of the total energy generated, in no case the energy that could be drawn by Orissa should exceed 50% of total energy generated at Machkund during the year including its share of 30%.

- Orissa shall compensate AP at the rate of 8 paise per unit for the energy drawn above 30% and below 50% of energy generated.

- Excess energy drawal by any party over and above their share of above generation of Machkund Powerhouse be settled at rate separately agreed upon from time to time between the two State Electricity Boards.

- The rate agreed up on its exclusive of the prevailing Central Excise Duty and any such taxes and dues levied by Government of India be paid by Orissa.

(ii) Balimela Dam Toe HE Project (2x30 MW): As per the agreement between the Chief Ministers of Orissa and Andhra Pradesh during the meeting held on 10th June, 1992 to execute Balimela Dam Toe power house, the power benefits from the project are proposed to be shared equally by Orissa and Andhra Pradesh.

(iii) Jalaput Dam Toe HEP (3x6 MW = 18 MW) : The power benefits from the project are proposed to be shared equally by Orissa and Andhra Pradesh.

(iv) Lower Machkum (2x10 MW = 20 MW): The power benefits from the project are proposed to be shared equally by Orissa and Andhra Pradesh.

(b) : No, Sir. No such request has been received by the Ministry of Power/Central Electricity Authority from these States to review their power sharing agreements. However, it is learnt that some issues relating to restoration of Orissa`s 20% share in Machkumd HEP etc. are under discussion by the States, bilaterally.

(c) & (d) : Question do not arise.